



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

October 3, 2007

**S. 742**

**Ban Asbestos in America Act of 2007**

*As reported by the Senate Committee on Environment and Public Works  
on August 2, 2007*

**SUMMARY**

S. 742 would amend the Toxic Substances Control Act and the Public Health Service Act to require the Environmental Protection Agency (EPA) and agencies within the Department of Health and Human Services (HHS) to reduce the health risks posed by products containing asbestos. CBO estimates that implementing this legislation would cost \$112 million over the 2008-2012 period, assuming appropriation of the necessary amounts. Enacting the legislation would not affect direct spending or revenues.

CBO estimates that under the bill, \$35 million would be spent by EPA over the next five years to establish a public education program, issue regulations concerning asbestos use, and conduct tests on certain products to determine whether they contain asbestos. CBO estimates that \$77 million would be spent by HHS agencies over the same period to prepare several studies related to asbestos and to support an asbestos-related diseases registry and a national clearinghouse on asbestos and health information.

S. 742 contains both intergovernmental and private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA), because it would prohibit importing, manufacturing, processing, or commercially distributing materials containing asbestos. Based on information from EPA and industry sources, CBO expects that the direct cost to comply with those mandates would not exceed the annual thresholds established in UMRA (\$66 million for intergovernmental mandates and \$131 million for private-sector mandates in 2007, adjusted annually for inflation).

## ESTIMATED COSTS TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 742 is shown in the following table. The costs of this legislation fall within budget functions 300 (natural resources and environment) and 550 (health).

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>					
<b>Toxic Substances Control Act Amendments</b>					
National Institute for Occupational Safety and Health Studies					
Estimated Authorization Level	2	3	0	0	0
Estimated Outlays	1	2	2	0	0
EPA Public Education Program					
Estimated Authorization Level	2	2	2	2	2
Estimated Outlays	2	2	2	2	2
EPA Prohibition on Asbestos-Containing Materials					
Estimated Authorization Level	5	5	5	5	5
Estimated Outlays	5	5	5	5	5
<b>Public Health Service Act Amendments</b>					
HHS Research on Asbestos-Related Diseases					
Estimated Authorization Level	6	8	7	7	7
Estimated Outlays	2	6	7	7	7
Asbestos-Related Research and Treatment Network					
Estimated Authorization Level	0	10	10	10	10
Estimated Outlays	0	3	8	10	10
Department of Defense Research on Asbestos-Related Diseases					
Estimated Authorization Level	0	4	4	4	4
Estimated Outlays	0	1	3	4	4
<b>Total Changes</b>					
Estimated Authorization Level	15	32	28	28	28
Estimated Outlays	10	19	27	28	28

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that S. 742 will be enacted near the start of fiscal year 2008, that the necessary amounts will be appropriated each year, and that outlays will follow historical spending patterns for similar programs.

### **Toxic Substances Control Act Amendments**

**National Institute for Occupational Safety and Health (NIOSH) Studies.** Section 222 would authorize the appropriation of such sums as necessary for NIOSH to conduct several studies, including studies addressing the current state of science concerning the health effects and toxicological properties of nonabsetiform minerals and elongated mineral particles. Based on information from agency staff and the cost of similar activities, CBO estimates that NIOSH would need appropriations of \$2 million in 2008 and \$5 million over the 2008-2012 period to perform those studies. Assuming appropriation of those amounts, CBO estimates that implementing section 222 would cost \$1 million in 2008 and \$5 million over the 2008-2012 period.

**EPA Public Education Program.** Section 223 would require EPA to establish a program aimed at increasing public awareness of the dangers posed by asbestos-containing products in homes and work places. The program also would encourage those affected by asbestos and their families to participate in related research and treatment endeavors. The program would begin no later than one year following the bill's enactment.

Currently, EPA oversees a lead poisoning program, which involves coordinating with other agencies to run a hotline and provide various informational documents to the public. According to EPA, the public education program required under this legislation would be similar to the lead poisoning program, which costs about \$2 million annually to operate. Thus, CBO estimates that EPA would need \$2 million annually to oversee and administer this new program.

**Prohibition on Asbestos-Containing Materials.** Under section 232, EPA would establish regulations prohibiting the importation, manufacture, processing, or distribution of products that contain asbestos. Requests for exemptions, including those sought by the Department of Defense and the National Aeronautics and Space Administration, would be considered by EPA. In addition, following the promulgation of regulations concerning asbestos use, EPA would conduct tests on certain products to determine whether those products contain asbestos.

Based on information from EPA, CBO estimates that the agency would need \$5 million a year for additional personnel, contractor support, and information technology support to perform those activities.

## **Public Health Service Act Amendments**

The bill would amend the Public Health Service (PHS) Act to require several HHS agencies to expand research and treatment activities related to conditions caused by exposure to asbestos. In particular, the bill would direct the National Institutes of Health (NIH), the Centers for Disease Control and Prevention (CDC), and the Agency for Toxic Substances and Disease Registry (ATSDR) to establish a registry to coordinate the collection from multiple sources of data and specimens related to asbestos.

The bill also would modify title IV of the PHS Act to direct NIH to expand or initiate several programs to support research on and treatment of asbestos-related conditions. Current law authorizes the appropriation of a specific amount— \$32.8 billion—for 2008 for activities under title IV of the PHS Act. Thus, legislation authorizing the appropriation for 2008 of funding for specific activities under title IV of the PHS Act would not change the overall authorization of appropriations for activities in that year, and would have no cost. Legislation authorizing the appropriation of specific amounts for activities under title IV for 2009 and subsequent years would affect estimated spending. (Current law authorizes the appropriation of such sums as are necessary for 2009, but there is no authorization of appropriations for activities under title IV after 2009.)

**HHS Research on Asbestos-Related Diseases.** S. 742 would require NIH, CDC, and ATSDR to establish a registry to support research related to asbestos. CBO compared the activities that would be required under the bill to those performed by the National Cancer Institute's (NCI's) Surveillance, Epidemiology, and End Results (SEER) program, which the NCI projects will cost \$32 million in 2007. CBO expects that the registry required by S. 742 would be smaller in scale than the SEER registry (primarily because asbestos-related diseases are less common than cancer), and would require the appropriation of \$6 million for 2008 and \$35 million over the 2008-2012 period. Assuming the appropriation of those amounts, CBO estimates that establishing the registry would cost \$2 million in 2008 and \$29 million over the 2008-2012 period.

**Asbestos-Related Disease Research and Treatment Network.** The NIH currently supports several investigator-initiated research activities focused on asbestos and mesothelioma. In fiscal year 2006, the institutes that supported the most activities in these research areas—the

National Cancer Institute and the National Institute for Environmental Health Sciences—spent \$12 million on projects related to asbestos or mesothelioma.

S. 742 would authorize the appropriation of \$10 million a year for fiscal years 2008 through 2012 for the NIH to establish and maintain asbestos-related disease research and treatment centers. Based on historical spending patterns for similar activities, and assuming appropriation of the authorized amounts, CBO estimates those activities would cost \$31 million over the 2009-2012 period.

**Department of Defense Research on Asbestos-Related Diseases.** S. 742 would modify title IV of the PHS Act to authorize the appropriation of such sums as necessary for 2008 and subsequent fiscal years for the Secretary of HHS to support research on mesothelioma and other asbestos-related diseases that may affect the health of members and veterans of the armed forces. CBO estimates that implementing that provision would have no cost in 2008 (because the bill would not affect total funding for activities under title IV of the PHS Act) and would cost \$12 million over the 2009-2012 period.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 742 contains both intergovernmental and private-sector mandates, as defined in UMRA, because it would prohibit importing, manufacturing, processing, or commercially distributing materials that contain asbestos. In addition, within two years of enactment, the bill would require the disposal of prohibited products left unsold or not otherwise in the possession of an end user. Many products used in the United States contain asbestos, including brake pads and linings, roofing materials, ceiling tiles, and cement. While there is limited information about the amount of such products imported or used commercially in the United States, according to EPA and industry sources, substitutes with comparable cost are generally available to replace those products that contain asbestos. Therefore, CBO expects that the costs to comply with the mandates would not exceed the annual thresholds established in UMRA (\$66 million for intergovernmental mandates and \$131 million for private-sector mandates in 2007, adjusted annually for inflation).

In addition, S. 742 would create a \$10 million grant program to assist nonprofit hospitals, universities, and research institutions in conducting research and providing treatment for asbestos-related diseases. Any costs those entities might incur, including matching funds, would be incurred voluntarily.

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